



**European Committee
of the Regions**

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OPINION

Regeneration of Port Cities and Port Areas

THE EUROPEAN COMMITTEE OF THE REGIONS

- calls for the Urban Agenda for the EU to take account of the geographical and functional differences between cities, including the specific development problems of port cities, which should be addressed by means of further work on their implementation;
- welcomes the principles laid down by Article 15 of the Ports Regulation and, without putting into question the agreement reached, invites the European Commission to provide further guidance when it comes to its implementation;
- stresses that synergy effects in port-city relations, which have sometimes been weakened by the liberalisation and globalisation of markets, need to be identified and enhanced. Where necessary, soft law policy instruments, such as the creation of the conditions for the exchange of experience, communication, codes of conduct, guidelines may serve as useful instruments;
- recommends that EU policies in the areas of transport, the maritime economy and protection of the marine and aquatic environment take account of the development challenges of ports and port cities;
- points out that environmental issues should be a permanent aspect of all EU programmes and projects aimed at revitalising port cities and areas, in connection with programmes and projects aimed at environmental conservation, particularly conservation of the marine and aquatic environment;
- considers that the European Commission should support projects to improve transport links between existing and planned ports and their hinterland, as well as the connectivity of remote and island and outermost areas particularly by creating a legal framework and new financial instruments.

Rapporteur

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Reference document

Opinion of the European Committee of the Regions – Regeneration of Port Cities and Port Areas

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. Stresses that port cities and areas are an essential element of the economic system of the European Union (EU) which, against a background of increasing globalisation, greatly affects the opportunities for reviving the economy, improving efficiency, promoting innovation and ensuring long-term competitiveness.
2. Points out that technological changes in maritime and inland waterway transport are leading to the geographical concentration of port operations and affecting the importance of numerous small and medium-sized ports, leading to the loss of their economic functions and the deterioration of port areas and the urban areas linked to them.
3. Points out that the tendency to liberalise the management of ports is important in helping improve their efficiency, which in turn helps in the competitiveness of the European transport sector. Takes note in this context of concerns over liberalisation, potentially making it more difficult for ports to provide services of general economic interest (and other port functions which are an essential part of the operation and development of port-city complexes). However, Article 345 TFEU stipulates that the Treaties shall in no way prejudice the rules in Member States governing the system of property ownership and EU regulations do not impose a specific port management model on the managing bodies of ports.
4. Believes that efforts so far made at local and regional level to revitalise port cities and areas, including islands, require more intensive and targeted support from cohesion policy and other EU policies, in the spirit of, and making use of the opportunities created by, the Territorial Agenda, the Urban Agenda, the Leipzig Charter and the Pact of Amsterdam.
5. Welcomes the principles laid down by Article 15 of the Ports Regulation and, without putting into question the agreement reached, invites the European Commission to provide for further guidance when it comes to its implementation. Points out that commercial port operations are carried out by private operators and that there is a need for Port Authorities to consult with private operators on port developments.
6. Calls for dialogue between the managing authorities of ports, shipowners, waterway authorities, private terminal operators and their European and regional groupings on the one hand, and the local and regional authorities of coastal, island and riverine areas on the other, aimed at designing flexible, compromise-based solutions for revitalising all types of maritime and inland ports cities and areas.

PROBLEMS AND CHALLENGES

The importance of ports and port cities for the EU economy

7. Realises that seaports, and particularly the 104 TEN-T core network ports, remain the main gateways to the European economic area, and that their links with ports and port cities of global significance (e.g. in China) are of fundamental importance for maintaining and improving the competitiveness of the EU economy, and thus prosperity and social harmony.
8. Realises that inland ports, and particularly the 79 TEN-T core and comprehensive network inland ports function as nodal points for regional and local economies. They serve as efficient multimodal nodes on the European inland waterway corridors. They are the interface between the intercontinental/maritime transport leg and the land modes of transport (rail, road and IWT); they serve as extended gates for seaports.
9. Highlights that some European Local Authorities, especially those in rural and island communities, also act as functioning harbour authorities with a broad range of responsibilities to support coastal societies, promote economic development and develop well-functioning and sustainable marine ports. Regional and Local Authorities can provide crucial public interventions in the effective management of ports.
10. Draws on numerous empirical studies showing that the reciprocal relations established over centuries between European ports and port cities have recently been undergoing drastic change as a result of the increase in the size of cargo and passenger ships and the ongoing process of containerisation and the geographical concentration of port functions.
11. Points out that, despite the overall growth in maritime transport, many European port cities and the regions linked to them are losing economic functions and jobs, and inner-city port areas are deteriorating.
12. Reiterates that due to the current low economic cycle and prognoses further innovation, automatisisation, digitalisation and untapping the potential of new continental and sustainable markets like the circular economy and bioeconomy are important requisites for future economic growth;
13. Stresses there is a need for a stable investment climate and continuous EU-funding for innovative projects and initiatives. Supports bottom-up initiatives and ideas like the long-term European IWT platform between public and private stakeholders and governmental institutions supporting research and innovation in order to improve the port-city relations and improve the innovative capacity of the sector.
14. Draws particular attention to the process whereby the positive external effects created by ports, even the largest ones, are being lost to distant regions and cities, also outside Europe as a result of globalisation; on the other hand, welcomes the diversification of previously deteriorated ports in attracting new economic activity and generating positive spillover locally.

15. Notes that, in view of the need to reduce pressure on the roads and the EU-objective to shift 30% from the road to rail and waterborne transportation by 2030 (White Paper on transport, 2011, COM(2011) 144 final), the developed network of inland waterways and the many related inland ports have the potential to take on a greater role in improving links between seaports and their hinterland.
16. In addition, notes the role of medium-sized ports belonging to the TEN-T network, along with small ports in the islands, archipelagos and the outermost regions, as drivers of economic growth. They are also key to territorial cohesion in the EU. They should therefore have significantly better access to funding under the Connecting Europe Facility.
17. Considers that increasing the efficiency and competitiveness of sea and inland ports, improving the operation of port cities and revitalising port areas are of key importance for solving the current development problems of the EU and its Member States and regions, and for global re-industrialisation.
18. Considers moreover that greater support for the upgrading of port cities and areas under cohesion policy and other sectoral policies would act as a catalyst for economic, social and territorial development in the EU.

RECOMMENDATIONS

Types of port-port city complex

19. Points out that European sea and inland ports and port cities are highly diverse with regard to size, geographical location, potential and cargo-handling specialisation, other related economic functions and their importance for the city economy.
20. Notes that relations between local, regional and metropolitan coastal cities and ports with a small, medium-sized or large cargo-handling business create different kinds of problem requiring different approaches, and suggests that the European Commission, when suggesting policies designed to address these problems, take account of these differences, and of the views of stakeholders in the maritime economy and of the local and regional authorities of coastal areas in line with the principle of subsidiarity.
21. Notes that the domination of a city by a port or vice versa generally leads to development disparities in the port-city complex, which are detrimental to both parties; this problem needs to be tackled, in accordance with the Territorial Agenda, by developing joint ventures between economic operators in the maritime sector, industry and services, and urban and regional authorities, with the support of legal and financial instruments in the framework of coordinated EU sectoral policies.

An integrated approach to upgrading port cities and areas

22. Realises that port areas are a special kind of area, in which numerous economic activities, and the needs and interests connected with them, are concentrated in a very confined space, creating

a complex territorial, economic and social unit and leading to inevitable contradictions and conflicts that require a special, integrated, partnership-based, multi-level approach.

23. Points out that many European ports, particularly those dating from the 19th century, in effect constitute port-industrial districts, which are home to manufacturing businesses reliant on access to the water and businesses involved in processing raw materials and semi-manufactured products trans-shipped in the port, as well as many service activities linked to shipping, cargo handling and other port activities such as fishing and aquaculture, recreation and energy production.
24. Points to the need to ensure good coordination between ports in a single administrative region as well as greater cooperation between ports along a single coastline, regardless of the region to which they belong.
25. Highlights the need to improve institutional relations between port areas and cities and recommends setting up port-city integration committees, following best practice on the part of European ports where such committees exist, comprising the local, regional and port authorities.
26. Calls for TEN-T Corridor Forums to address links between port cities and areas and recommends that specific platforms be created for port cities defined as urban nodes.
27. Stresses that the upgrading of port cities and areas must take account of a whole range of factors in an integrated way: the strategic management of port cities, synergies between port cities and in port-city-coastal region relations, public incentives and investments, diversification of the economic structure of port cities and areas, links with terrestrial and inland waterway transport, links with rail transport, environmental problems, spatial planning of ports, cities and coastal areas, linking ports to the life of urban society.
28. Points out that the need for balanced development of port cities requires innovative, integrated solutions, in accordance with the principles of the integrated development of cities in the EU and taking account of the economic, social and environmental aspects of these areas.

Need for synergies in port-city relations

29. Recognises that, despite the observed trend for modern large-scale container terminals to move away from port areas located in cities and often city centres, synergies in port-city relations are being transformed, but not weakened, especially with regard to transport links with the hinterland, telecommunications and electrical energy infrastructure, access to urban services, skilled workforces, security, and also highly specialised port services and business environments.
30. Stresses that synergy effects in port-city relations need to be identified and enhanced. Where necessary, soft law policy instruments, such as the creation of the conditions for the exchange of experience, communications, codes of conduct, guidelines may serve as useful instruments.

Incentives and public investment in port areas

31. Notes that port areas where cargo handling or waterfront industrial activity has been reduced or has disappeared are, on the one hand, a serious burden for port cities, but on the other hand also a great development opportunity, and that the relationship between opportunity and risk depends mainly on the type of port-city complex.
32. Points out that former port and waterfront industrial areas nearly always require expensive, time-consuming and difficult technical and environmental upgrading, and that the surrounding urban areas may require social upgrading, a basic and necessary condition for making them available for investment. Investments supporting upgrading and promoting transformation may be essential.
33. Calls for legal instruments providing legal and financial support for the technical and environmental upgrading of these areas to be created in the process of implementing the Urban Agenda and the Pact of Amsterdam.
34. Ports are also important economic, cultural and historical lifelines to rural, island and peripheral areas. Expanding tourism, cruises and sailing activities that maximise natural and cultural heritage is key to growth. In more rural, island or remote communities the importance of town centre regeneration and investment can be even more vital.
35. Suggests that it be made possible to establish institutional solutions similar to special economic zones in former port and waterfront industrial areas, while maintaining the principle of subsidiarity, as well as financial transparency and laying down clear criteria for state aid.
36. Also highlights the opportunities for making use of existing experience and public-private partnership solutions developed at EU and Member State level, particularly in urban waterfront areas.

Private investment in port areas

37. Points out that ports are part of the EU's public transport infrastructure and that they are usually managed by the national, regional or local authorities, a situation which should continue given the need to stimulate economic growth at EU level and ensure that it is sustainable.
38. Realises that the revitalisation of port areas and the related economic regeneration of port cities require investment on a scale which is well beyond the scope of public budgets, and that the participation of private investment, and thus also financial institutions, is therefore required. Therefore urges public authorities at all levels across Europe to ensure a policy mix that is attractive to such investment. This way, public budgets, especially those under serious stretch, can be better targeted at those cases where market forces alone cannot provide adequate responses.

39. Stresses that, in view of the varying importance for the EU and level of development of ports and port cities, balancing the public and private interest requires a case-by-case approach and compromises aimed at ensuring long-term mutual benefits.
40. Calls on the European Commission to draw up measures providing for private investment in port areas that guarantee economic freedoms, equal treatment of parties, financial transparency and clear criteria for public aid, while also taking account of long-term regional and local interests.

Functional diversification of port cities and areas

41. Points out that, as a result of ongoing globalisation and technological change in maritime and terrestrial transport, the position of many European ports and port cities in national and regional settlement, transport and economic systems is changing.
42. Points out that these changes are leading not only to the weakening of the economic base but also to functional diversification of cities and their local communities and the need to upgrade abandoned port and waterfront industrial areas. Stresses that the new economic functions of ports and port cities do not always require a coastal location, but investors choose them because of their good urban communications, existing infrastructure and their landscape and cultural attractions.
43. Particularly emphasises that many European sea and inland waterway ports have major cultural assets and, in view of their specific features, require special activities under programmes and projects designed to conserve European cultural heritage.
44. Considers that programmes and instruments aimed at supporting the upgrading of former port and waterfront industrial areas should support private and public projects aimed at more efficient use of these areas, even if the programmes and instruments are not linked to the maritime economy and water transport.

Importance of transport links between a port and the port city and its hinterland

45. Points out that the limitations on the development of European seaports derive to a great extent from their inadequate transport links with their hinterland which hinders the efficiency of transport and logistics chains. Therefore, encourages a better linking of ports and port areas with all other transport modes, particularly rail, and hosting added value activities in order to contribute to the sustainable development of their territories.
46. Points out that with a view to integrated logistics, an efficient transport network necessarily requires the establishment of logistics platforms in inland areas for storing, sorting and keeping goods, as well as meeting intermodality requirements.
47. Considers that the European Commission should support projects to improve transport links between existing and planned ports and their hinterland, as well as the connectivity of remote, island and outermost areas, particularly by creating a legal framework and new financial

instruments; to this end, existing transport links should be modernised under TEN-T and TEN-R together with the Trans-European Networks for Energy (TEN-E) and Telecommunications (TEN-Telecom), taking account of the needs and interests of port cities in the area of urban and regional transport.

48. Coastal regions especially with ports have great potential to become centres of excellence for renewable energy, sustainable tourism and creative industries, given their natural assets. However, coastal areas are often in peripheral and outermost regions, requiring the development of infrastructure to link them to the core EU single market and to the rest of their own regions.

Environmental aspects of the operation and development of ports and port cities

49. Notes that the operation and development of ports lead to numerous serious environmental problems affecting not only the port cities themselves but also whole coastal and estuarine areas: disturbance of the natural balance and building in riparian zones, water pollution, degradation of aquatic ecosystems, and at local level - the generation of waste, including toxic waste, bacteriological risks, noise and damaging atmospheric emissions.
50. Points out that former port and waterfront industrial areas are usually seriously polluted and require environmental rehabilitation, which should receive special support from environmental programmes and projects at various levels, including those aimed at protecting the environment and coasts and riverbanks. This applies in particular to terminals handling crude oil, oil products, natural gas and the related processing installations, which cause particular environmental risks.
51. Stresses that the construction of new trans-shipment terminals, usually far from existing port areas, generally leads to serious environmental damage, which requires particularly careful planning with the participation of local and regional authorities, social stakeholders and environmental organisations, with a view to minimising damage of this kind and providing for possible remedial environmental measures.
52. Risk assessment and safety management systems where the workforce are supported are of upmost importance in the continued operation of ports, marinas and harbours. Reputational damage in this regard cannot be afforded to EU ports and surrounding areas.
53. Points out that Directive 2014/94/EU introduces the obligation to install alternative fuels infrastructure in ports, requiring that LNG (liquefied natural gas) and electricity be made available on the quayside by 31 December 2025. These new provisions are completely justified on grounds of environmental considerations and public health in port cities, but require European financial support which should be included in the transport package both immediately and primarily in the post-2020 programming period.
54. Points out that environmental issues should be a permanent aspect of all EU programmes and projects aimed at revitalising port cities and areas, in connection with programmes and projects aimed at environmental conservation, particularly conservation of the marine and aquatic environment.

Involving ports in the life of port cities

55. Points out that, because of the technical and economic conditions of the time, historic port areas are generally adjacent to city centres and are sometimes their most attractive feature.
56. Recognises that, as a result of the decentralisation of many functions to city outskirts, many European city centres require technical, economic and social upgrading, in order to make them more attractive for residents, businesses, catering establishments, cultural amenities and public and social institutions.
57. Sees an opportunity for an integrated approach to run-down city centre areas and former port and waterfront industrial areas requiring upgrading and support in accordance with the aims of the Urban Agenda and the Pact of Amsterdam.
58. Stresses that the involvement of the local community and the conversion of at least part of the revitalised area into public spaces which are accessible both to permanent residents and tourists are key to the success of this kind of project.
59. Points out that, when upgrading port areas, greater use should be made of European, national and regional programmes and projects aimed at shaping public spaces and supporting local communities.

Strategic and spatial planning - sea, coasts, port cities and areas

60. Recognises that effective upgrading of port cities and areas requires close cooperation between all stakeholders (private, public and social) and innovative solutions with regard to the strategic and spatial planning of coastal areas at local and regional level, regarding sea basins, inland waterways, port cities and coastal areas.
61. Recognises that lack of coherence in the principles and procedures of strategic and spatial planning and the management of port areas seriously hinders their revitalisation, requiring support, exchange of experience and possible EU soft regulation.

The Urban Agenda for the EU and the Pact of Amsterdam in relation to the problems of port cities and areas of different sizes

62. Calls for the Urban Agenda for the EU to take account of the geographical and functional differences between cities, including the specific development problems of port cities, which should be addressed by means of further work on their implementation.
63. Welcomes the fact that both documents are based on the partnership principle and the decisive participation of urban authorities, civil society organisations, knowledge and innovation institutions and business.

FINAL CONCLUSIONS AND RECOMMENDATIONS

64. Considers that while the problems of ports and port cities fall primarily under the responsibility of the regional and national authorities, there can be benefits from effective cooperation and support at EU level. It is important to continue developing the various trans-European networks - TEN-T, TEN-E and TEN-Telecom, with a particular focus on modernising transport links, with TEN-R as a priority - without ruling out the creation of new ones.
65. Recommends that EU policies in the areas of transport, the maritime economy and protection of the marine and aquatic environment take account of the development challenges of ports and port cities.
66. Recommends that, in the course of further work on the implementation of the Urban Agenda and the Pact of Amsterdam, account be taken of the specific features of the operation and development of port cities.
67. Recommends that the rail links of ports and port cities in peripheral regions be expanded and upgraded.

Brussels, 8 February 2017

The President
of the European Committee of the Regions

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II. PROCEDURE

Title	Regeneration of Port Cities and Port Areas
Reference(s)	N/A
Legal basis	Article 307 TFEU
Procedural basis	Own-initiative opinion
Date of Council/EP referral/Date of Commission letter	N/A
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Commission responsible	Commission for Territorial Cohesion Policy and EU Budget
Rapporteur	Stanisław SZWABSKI (PL/EA) Member of Gdynia City Council
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